

**SUMMARY PLAN DESCRIPTION**

**FOR**

**HANFORD GUARDS UNION**  
**PENSION PLAN**

**As administered by**  
**Fluor Hanford, Inc.**

**Sponsor:**  
**Fluor Hanford, Inc.**

**Reflects Plan provisions in effect January 1, 2003**

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# HGU PENSION PLAN

## INTRODUCTION

This Summary Plan Description provides an overview of provisions the Fluor Hanford, Inc. Pension Plan, Hanford Guards Union, Local 21, in effect January 1, 2003.

In the event of any discrepancy between the language of this summary and the language of the legal text, the language of the legal text shall govern.

## ELIGIBILITY

Employees of Fluor Hanford, Inc. (the “Company”) represented by Hanford Guards Union, Local 21 are eligible to become Plan members. You begin to earn credit under the Plan on your first day of employment as an employee represented by the Hanford Guards Union, Local 21. After you complete one (1) year of service, you are enrolled on the next January 1 or July 1 and receive vesting and benefit service from date of hire. The following individuals are not eligible to participate:

- temporary employees;
- leased employees; and,
- individuals who are characterized as self-employed by the Company regardless of their status for federal payroll purposes.

## COST

There is no cost to you. All contributions are paid by the Company.

## HOW BENEFITS ARE CALCULATED

Your retirement benefits are dependent on your average base earnings over the sixty (60) months during which such average is the highest during the last 120 months of employment and on your qualified years of benefit service.

The benefit formula is as follows:

1.6% times average of high sixty (60) months base earnings times years of benefit service equals a monthly pension payable at age 65. This calculated amount is payable as a ten-year certain and life annuity. (See “How Pensions are Paid.”)

You will receive credit for partial years of service if you work less than the entire year.

Base earnings are your base salary or wages, excluding other compensation such as overtime and shift differentials and cash taken in lieu of time off.

**Example:** Assume the average for your high 60 months base earnings is \$3,000 and you have 20 years of benefit service:

$1.6\% \times \$3,000 \times 20 \text{ years} = \$960/\text{month}$ , payable at age 65, ten year certain and life annuity.

As your salary and service increase, so will the pension you earn.

**Example:**  $1.6\% \times \$3,200 \times 21 \text{ years} = \$1,075/\text{month}$ , payable at age 65, ten year certain and life annuity.

The pension you receive from this Plan is not affected by any Social Security benefits for which you may be eligible.

## **CREDITED SERVICE**

There are three types of Credited Service: eligibility service, vesting service and benefit service.

### **ELIGIBILITY SERVICE**

You must complete a year of service to become eligible. Service is counted from the first day you are employed.

If by the anniversary date of your employment commencement date you have been credited with 1,000 hours of service, you will have met this requirement and you will become a participant on the next enrollment date.

Enrollment dates are January 1 and July 1. (See the section “Counting Hours of Service” to determine how you are credited with hours of service.)

### **VESTING SERVICE**

Vesting service determines the amount of “ownership” you have in the benefits you accrue under the Plan. Vesting service is counted from the day you are hired and will be determined in accordance with the following rules:

- You receive credit for a year of service for each Plan Year in which you are credited with 1,000 or more hours of service.
- You will be 100% vested when you have been credited with three (3) years of service.
- You have no vested rights with less than three (3) years of service.

- You receive no credit for vesting if you are credited with less than 1,000 hours of service in a Plan Year.
- You are fully vested at age 65 if eligible and if employed regardless of your years of vesting service.
- Any benefits attributable to contributions you have made under a predecessor plan are at all times 100% vested and nonforfeitable.

## **BENEFIT SERVICE**

Benefit service is used to determine the amount of your pension. (See “How Benefits Are Calculated.”) Benefit service is determined pursuant to the following rules:

- You receive a year of benefit service if you are credited with 2,080 or more hours of service in the Plan Year. If you receive credit for less than that number of hours, you receive credit for a fractional year of benefit service.
- You receive credit for the year of service required as a condition to eligibility but only after you become a participant.
- You will receive credit for service after age 65 if you work beyond that age but only if you receive credit for an hour of service on or after January 1, 1988.
- You will receive credit for any period during which you are receiving benefits under the Income Protection Plan.
- You will receive no credit for service prior to January 1, 1965, under any condition.
- You may not receive more than forty (40) years of Benefit Service in the aggregate under all Site plans.
- You receive benefit service only when in covered service under this Plan.

## **COUNTING HOURS OF SERVICE**

You receive credit for an hour of service for each hour you are paid for services.

You receive credit under this Plan for eligibility and vesting for hours of service credited under the O&E Pension Plan and HAMTC Pension Plan.

An employee other than a casual, hourly, or temporary employee receives credit for 190 hours of service in each monthly payroll period employed regardless of actual hours of service. Casual, hourly and temporary employees receive credit only for actual hours paid for service.

Under some circumstances, you may receive credit for hours during which no duties were performed.

## **CREDIT FOR SERVICE WITH WESTINGHOUSE HANFORD COMPANY (WHC) AND ROCKWELL HANFORD OPERATIONS (RHO)**

Prior to October 1, 1996, WHC was the sponsor of this Plan and prior to June 29, 1987, RHO was the sponsor of this Plan. You may be entitled to credit for some or all of your service with these predecessor employers.

### **VESTING CREDIT**

Generally, all of your service with a predecessor employer is credited under this Plan for vesting unless that service has been disregarded under the rules of the Plan.

The following information will assist you in determining your entitlement to vesting credit:

#### **VESTED PARTICIPANT**

If you were fully or partially vested in a benefit under the Plan, then, as a general rule, your service for a predecessor employer is credited for vesting purposes.

#### **NONVESTED PARTICIPANT**

If you had benefit service as a result of employment for a predecessor employer but were not vested in any benefit (your vesting percentage was zero), you may have lost that service for vesting purposes.

Generally, credit will have been lost if you terminated employment prior to January 1, 1985 (the effective date of the Retirement Equity Act), and the period of time since you left is greater than the amount of vesting service earned under the Plan.

If you terminated employment after January 1, 1985, your vesting credit will be lost if your time away is at least five (5) years and it exceeds your prior vesting service.

### **BENEFIT SERVICE CREDIT**

You received benefit service credit under this Plan for service with a predecessor employer if you were entitled to such service under the Plan as it existed when the new company (WHC or FHI) became the sponsoring employer. The credit you received is equal to the benefit service

you had earned under the Plan as it existed when the new company (WHC or FHI) became the sponsoring employer.

## **CREDIT FOR SERVICE PRIOR TO JANUARY 1, 1989**

This Plan was amended and restated effective January 1, 1989 and a new retirement benefit formula was established. If you were employed by WHC in a position governed by the collective bargaining agreement with the Hanford Guards Union, Local 21 on that date, you receive past service credit for benefit service under the new formula. If you were not in the employ of WHC in a position governed by the collective bargaining agreement with Hanford Guards Union, Local 21, you do not receive past service credit under the new formula. Your benefit based on such past service (if any) will be determined under the provisions of the Plan prior to the adoption of the new retirement benefit formula.

## **ACCRUED BENEFITS PROTECTED**

In no circumstance will an employee's benefit earned up to December 31, 1988 under the old formula be reduced as a result of the adoption of the new retirement benefit formula.

## **RIGHTS AFFORDED THOSE IN QUALIFIED MILITARY SERVICE**

An individual reemployed on or after December 12, 1994 after service in the armed forces may qualify for benefit service and imputed compensation credit for the period served if he or she is reemployed under circumstances entitling him or her to reemployment rights under federal law.

## **GRANDFATHER PROVISIONS**

Certain employees qualify for a "grandfather" provision under this Plan. If on December 31, 1988 you were (1) age 55 or older, or (2) had accrued Vesting Service plus age which totaled 65 or more, you are guaranteed that your benefit will not be less than the benefit you would have earned had the Plan on December 31, 1988 continued as it existed on that date. However, for the purposes of determining your grandfathered benefit, no additional Benefit Service or Compensation will be credited after March 31, 2001.

## **BREAK IN SERVICE**

If you terminate employment and are rehired, as a general rule your prior service will be reinstated both for benefit and vesting purposes.

There are exceptions to this rule. First, your benefit service is forfeited if you receive a lump sum settlement. (See "Repayment of Lump Sums" *below*). Second, if your absence from employment is more than five (5) years and you had no vested rights (your vested percentage was zero) at the time you left, then both your vesting and benefit service will be forfeited. On



rehire, you will have no vesting or benefit service under the Plan. You will also be required to again meet the eligibility service requirement.

## **REPAYMENT OF LUMP SUMS**

If you receive a lump sum settlement of a pension under this Plan and you are re-employed in covered service under this Plan, the O&E Plan or the HAMTC Plan, you may have prior service restored by repayment of the lump sum amount plus interest.

Such payment must be made by the earlier of (a) the end of a five-year period beginning with reemployment or (b) the end of the fifth consecutive year following the date of distribution of the lump sum amount.

If repayment is not made, prior service will be included for determining vesting service, but not for determining benefit service.

If you elected a refund of any mandatory employee contributions or a lump sum settlement from a predecessor plan, you may have forfeited predecessor plan credit.

Repayment of these monies plus applicable interest may or may not be allowable depending on the provisions of the predecessor plan.

## **DETERMINING YOUR PENSION BENEFIT**

This section describes the calculation for the basic ten-year certain and life annuity option. (See “How Pensions are Paid” for other available payment options.)

### **STARTING YOUR PENSION BENEFIT**

You can start your pension benefit at any time after you terminate employment at the Hanford site. You must start your benefit at the same time under all applicable Hanford site pension plans (Guards, HAMTC, and O&E).

### **NORMAL RETIREMENT PENSION**

If you continue to work until age 65 or older you qualify for normal retirement benefits.

If you retire at age 65 or older, your pension will be calculated as shown in the section, “How Benefits are Calculated.”

### **EARLY RETIREMENT PENSION**

To qualify, you must have attained age 55 while an employee and received credit for ten (10) years of vesting service.

If you elect to retire early, your monthly pension will be calculated under the same formula for normal retirement. Your benefit will then be reduced one-half of one percent for each month prior to age 60, if you retire between the ages of 55 and 60.

There will be no reduction if you are age 60 with ten (10) years of vesting service.

**Example:** If you retire at age 58 and the basic pension at age 65 is \$1,075 per month, the reduction percentage is one-half of one percent times 24 or 12%, since you are retiring 24 months before age 60.

Basic Pension	\$1,075.00
Less Early Retirement Reduction (12% X \$1,075)	<u>-129.00</u>
Monthly Benefit	\$946.00/month

#### **UNREDUCED EARLY RETIREMENT UNDER THE INCOME PROTECTION PLAN**

If you are enrolled in the Income Protection Plan and have reached age 55 with ten (10) years of service as a guard, you may, at any time before the expiration of the currently effective collective bargaining agreement between the Company and Local 21, elect to retire and receive an early retirement allowance.

If you are receiving benefits under the Income Protection Plan and have reached age 55 and received credit for ten (10) years of service under this Plan, you may elect to retire as of the first day of any month and receive an early retirement allowance.

In each case, your early retirement allowance shall be equal to your accrued benefit, subject to possible adjustment pursuant to the terms of the Plan, for service in a position which is not covered by the Plan.

If you elect to retire under this provision before January 1, 2003, your monthly benefit will be increased by \$400 until you reach age 62. If you elect to retire under this provision on or after January 1, 2003, the additional monthly benefit is \$425.

#### **DEFERRED VESTED PENSION**

If you have vested rights in the Plan and terminate your employment prior to normal or early retirement, a deferred vested pension will be paid, normally at age 65.

However, you may request pension benefits to begin prior to normal retirement age. If your pension benefits begin before age 65, but after age 55, your pension amount will be reduced by one-half of one percent for each month prior to age 65. You may elect the normal retirement allowance or any optional form of payment.

If you elect to start your benefits prior to age 55, your pension benefits will be the actuarial equivalent of your benefits paid at age 65. The options of payment available are a lump sum, a qualified joint and survivor annuity with your spouse (if married), and the normal retirement allowance (life and ten-year certain). The Company is required to provide pension information no later than nine (9) months following the end of the Plan Year in which you leave employment. Lump sums will be subject to mandatory 20% withholding unless you elect a direct rollover into an individual retirement account (IRA) or other eligible retirement plan. The list of eligible retirement plans was expanded by a change in the law effective January 1, 2002. You will be notified of your rollover rights at the time you terminate employment and become entitled to a distribution. If your distribution is not rolled over, the taxable portion of a lump sum will be taxed in the year of distribution and may be subject to an IRS early withdrawal penalty.

## **DISABILITY PENSION BENEFITS**

If you become totally and permanently disabled, you continue to receive vesting and benefit service as if you continued to work at the same base salary in effect at the onset of your disability, until you are eligible for Normal Retirement (age 65). If, however, disability occurs after age 60, you continue to receive vesting and benefit service credit for five (5) years from the date of disability.

## **DEATH BENEFITS**

### **DEATH BEFORE BENEFITS COMMENCE**

#### ***If You Are Married***

If you are married at the time of your death and you die after qualifying for early retirement (age 55 with ten (10) years of vesting service), your spouse will receive:

- A monthly payment equal to the payment he or she would have received if you had retired on the day prior to your death and elected a 100% joint and survivorship option. Your spouse will receive this benefit for his or her lifetime. In lieu of the 100% survivorship option, your spouse may elect one of the following:
  - A single lump sum payment equal to the actuarial value of the 120-month survivorship benefit at date of death; or
  - The actuarial equivalent of the participant's monthly accrued benefit for 120 months.

If you are married at the time of your death and have qualified for a vested benefit, but have not qualified for an early retirement (age 55 with ten (10) years of vesting service), your spouse will be entitled to a death benefit as follows:

- If you die after age 55, your spouse will receive a benefit equal to the payment he or she would have received if you retired on the day prior to your death after electing to receive benefits as a 50% joint and survivor annuity and then died.
- If you die before reaching age 55, your spouse will receive a benefit equal to the payment he or she would have received if you had survived to age 55, elected to receive benefits as a 50% joint and survivorship option, and then died.

Instead of the 50% joint and survivorship option, your spouse may elect one of the following:

- A single lump sum payment equal to the actuarial value of the 120-month survivorship benefit at date of death; or
- The actuarial equivalent of the participant's monthly accrued benefit for 120 months.

Your spouse must survive to the annuity starting date to receive any of these benefits.

## **DEATH AFTER BENEFITS COMMENCE**

If you die after benefits commence, a death benefit will be payable only if you had elected a survivorship option at the time of retirement or a five- or ten-year certain option and you die before the end of the guaranteed period.

## **PENSION OPTIONS**

When you retire, you may elect one of the following options for payment of the monthly pension benefit. *Once pension payments have begun, or the lump sum has been distributed, no change can be made in your elected option.* The option you elect can increase or decrease the monthly amount that would be paid under the basic ten-year certain and life annuity.

Generally, you must make your election not less than thirty (30) days before the annuity starting date. You will be provided a report which will give you the estimated amounts payable for the various options. These options will be discussed with you by Benefits Administration.

## **TEN-YEAR CERTAIN AND LIFE ANNUITY**

The ten-year certain and life annuity option is a monthly pension payable for your lifetime with the guarantee if you die before you have received 120 monthly payments, the balance of the 120 payments will be paid to your beneficiary.

The ten-year certain and life option is the basic form of payment for this Plan and is used to calculate the additional options discussed below.

## **FIVE-YEAR CERTAIN AND LIFE ANNUITY**

The five-year certain and life annuity option results in a larger monthly pension payable for your lifetime, but it only guarantees payment of a balance to your beneficiary if you die before you have received sixty (60) monthly payments. In that case, the balance of the sixty (60) payments will be paid to your beneficiary.

## **LIFE ANNUITY**

The life annuity results in a larger monthly pension payable for your lifetime than either the ten-year certain or five-year certain options, but with no guarantee or certain period. This pension ceases at your death with no further payments to any beneficiaries.

## **STRAIGHT 50, 75, OR 100% JOINT AND SURVIVOR ANNUITY**

A straight 50, 75, or 100% joint and survivor annuity results in a reduced monthly pension payable for your lifetime, but guarantees that if your spouse survives you, 50, 75 or 100% of the pension will be continued for the lifetime of your spouse to whom you are married at the time of your retirement.

The calculation of this option is dependent upon your age and the age of your spouse at retirement.

## **FIVE- OR TEN-YEAR CERTAIN 50, 75, OR 100% JOINT AND SURVIVOR ANNUITY**

This option provides a five- or ten-year certain joint and survivor annuity (50, 75, or 100%) for you and your spouse with the guarantee that you and your spouse or designated beneficiary will receive a minimum of sixty (60) monthly payments or 120 monthly payments of the beginning benefit amount. If your spouse survives you beyond the five- or ten-year period, 50, 75 or 100% of the pension will continue for the lifetime of your spouse.

## **LUMP SUM PAYMENT**

Instead of receiving an annuity, you may choose a single lump sum payment. The lump sum is equal to the actuarial equivalent of your benefit payable at age 65. Lump sums will be subject to mandatory 20% withholding unless you elect a direct rollover into an individual retirement account (IRA) or other eligible plan. If not rolled over, the taxable portion of a lump sum will be taxed in the year of distribution and may be subject to an IRS early withdrawal penalty. Review the Special Tax Notice for more information. Spousal consent is required if married.

The lump sum option is calculated based on the interest rate of 30-year Treasury Bonds. This rate is known as the GATT rate and changes each year. The rate is based on the General Agreement on Tariffs and Trades (GATT), Public Law 103-465, which prescribes interest and mortality assumptions used under Section 417(e) of the Internal Revenue Code for determining

the amount of lump sum benefits in effect as of the prior year. If you choose the lump sum option, the lump sum benefit will be based on the rate in effect at that time.

## **OTHER INFORMATION**

If you elect a joint and survivorship option and your spouse dies before you, you will continue to receive the reduced pension you elected when you retired.

Even if you marry or divorce after retirement, you cannot change your original option.

If you are married when you retire and you do not make an election, you will automatically receive your pension under the straight 50% joint and survivorship option.

If you are single when you retire and you do not make an election, you will automatically receive your pension under the ten-year certain and life annuity.

Pension payments must begin on April 1 following the year in which they reach age 70½ if you are not then employed by the Company.

Pension payments are subject to federal income withholding tax; you will be required to complete a tax withholding Form W-4P when you retire.

## **PAYMENT OF SMALL PENSIONS**

If the total present value of your pension is \$5,000 or less at the time you or your beneficiary become eligible for a pension benefit, a lump sum payment will be made to settle all future liability. In determining whether your pension has a present value of \$5,000 or less, your benefits under all Site pension plans (Guards, HAMTC, and O&E) are aggregated. The amount will be equal to the present value of the benefit. This benefit is subject to income tax. However, the tax can be deferred if it is rolled directly into an IRA or other eligible retirement plan.

## **BENEFICIARY DESIGNATION**

Your named beneficiary will receive the benefits described under “Death Benefits” above as follows:

If you are entitled to benefits and if you die before your benefits commence and you are unmarried, there is a death benefit paid to your beneficiary. You may name anyone you wish to receive this death benefit. If you are entitled to benefits and you die before benefits commence and you are married, your spouse will receive a death benefit. No other benefit will be payable.

If you die after benefits commence, death benefits (if any) will be paid to the person you designate as your beneficiary or joint annuitant. If you are married when benefits commence, your spouse must be your joint annuitant or beneficiary unless he or she consents to your naming someone else.

You should make sure your beneficiary designation is current. Contact Benefits Administration when you initially designate or change your beneficiary.

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

If the Plan receives an order (a domestic relations order) awarding some part of your pension to an alternate payee, the Plan Administrator will notify you and determine whether or not the order is qualified. If it is qualified, that portion of your benefit awarded to the alternate payee will be held for the alternate payee and paid to the alternate payee pursuant to the order. You may receive without charge a copy of the Plan's Qualified Domestic Relations Order Procedures from the Plan Administrator.

## **IF YOU HAVE QUESTIONS**

If you have questions about your retirement benefits that are not answered in this Summary Plan Description, you should contact Benefits Administration.

Your spouse, or beneficiary if you are unmarried, should contact Benefits Administration in the event of your death to discuss his or her options.

## **PROTECTION OF BENEFITS**

As a participant in the Plan, you have certain rights and protections under the Employee Retirement Income Security Act (ERISA) of 1974. Further information is provided in the section, "ERISA Information," below.

Although the Company intends to continue this Plan indefinitely, the right is reserved to amend, suspend or discontinue the Plan in whole or in part.

If the Plan is terminated, distribution of Plan assets will be made to participants as directed by the Plan Administrator.

## **INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)**

### **PARTICIPANT'S RIGHTS**

As a participant in the Hanford Guards Union, Local 21 Pension Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act (ERISA) of 1974. ERISA provides that all Plan participants are entitled to:

- Receive information about your Plan and benefits.

- Examine, without charge, at the Plan Administrator's office and at other specified locations such as work sites and union halls, all documents governing the Plan including a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain copies of all Plan documents and other Plan information, including copies of the latest annual report (Form 5500 series) and updated Summary Plan Description upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive summaries of annual financial reports for the Plan. The Plan Administrator is required by law to furnish each participant with a copy of a Plan financial report, unless the Plan benefits are paid from the general assets of the employer.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now.

If you do not have a right to a benefit, the statement will tell you how many more years you must work to obtain a right to a benefit. You may request a statement annually from the Plan Administrator free of charge. If you want additional statements, you must request them in writing.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people responsible for the operation of employee benefit plans. The people who operate your plans, called "fiduciaries" of the Plan, have a duty to do so prudently and in your interest and that of other Plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal the denial all within certain time limits. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within thirty (30) days, you may file suit in a federal court.

In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.



If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that Plan fiduciaries misuse a plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor.

You may also file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, if it finds, for example, that your claim is frivolous.

If you have any questions about your Plan benefits, you should contact the Plan Administrator.

If you have any questions about this information or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the Publications Hotline of the Pension and Welfare Benefits Administration.

## **REVIEW PROCEDURE**

If your claim for benefits is denied, you will be notified in writing within ninety (90) days after receipt of your claim. In some cases, an additional ninety (90) days may be required to process your claim.

When additional time is needed, you will be notified of the special circumstances requiring the extension and the date a final decision is expected.

The extension may not exceed a total of 180 days from the date your claim was originally filed.

If additional information is necessary to process the claim, you will be notified of the items needed in order to complete it.

Any notice of denial of your claim for benefits will include the specific reasons for denial and references to the relevant plan provisions on which the denial was based.

The notice will also tell you the action you must take in order to receive the benefits claimed and how you can appeal the decision.

Within six (6) months after receiving a denial, you or your authorized representative may appeal the decision by:

- reviewing pertinent Plan documents;
- submitting issues and comments in writing;
- requesting a review in writing.

If you wish to request a review of a pension plan claim, contact the Plan Administrator.

A decision on your appeal will normally be given to you within sixty (60) days of the receipt of your request. If special circumstances warrant an extension, you will be notified in writing of this and the decision will be made no later than 120 days after receipt of your appeal.

## **PBGC INFORMATION**

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. As a result of the merger for funding purposes of this Plan with the plan for employees represented by HAMTC and the plan providing benefits for salaried employees, this Plan is now technically a multi-employer plan.

Under the PBGC's multi-employer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multi-employer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit (when due)).

The maximum benefit that the PBGC guarantees is set by law. Under the multi-employer program, the PBGC guarantee equals a Participant's years of service multiplied by (i) 100% of the first \$11.00 of the monthly benefit accrual rate, and (ii) 75% of the next \$33.00. The PBGC's maximum guarantee limit is \$35.75 per month times a Participant's years of service. For example, the maximum annual guarantee for a retiree with 40 years of service would be \$17,160.

The PBGC guarantee generally covers:

- (1) normal and early retirement benefits;
- (2) disability benefits if you become disabled before the Plan becomes insolvent; and
- (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- (1) benefits greater than the maximum guarantee amount set by law;

- (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than five (5) years at the earlier of:
  - (i) the date the Plan terminates, or
  - (ii) the time the Plan becomes insolvent;
- (3) benefits that are not vested because you have not worked long enough;
- (4) benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and
- (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator, or contact the PBGC's Technical Assistance Division, 1200 "K" Street, N.W., Suite 930, Washington, D.C. 20005-4026, or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## **PENSION PLAN INFORMATION**

### **NAME OF PLAN**

Fluor Hanford, Inc. Pension Plan, Hanford Guards Union, Local 21.

### **PLAN NUMBER**

003

### **TYPE OF PLAN**

Effective January 1, 2003, this Plan is a multi-employer defined benefit plan.

### **PLAN YEAR**

The Plan Year begins January 1 and ends the following December 31.

## **PLAN ADMINISTRATOR, PLAN SPONSOR, AND EMPLOYER IDENTIFICATION NUMBER**

The Plan is sponsored by:

Fluor Hanford, Inc.  
P.O. Box 1000, MSIN H3-08  
Richland, Washington 99352

The tax identification number (EIN) assigned to the Plan is 91-1457826.

The Plan Administrator is comprised of an administrative committee appointed by the Sponsor. The members of the Committee are:

Dominic J. Sansotta	H2-25
Joel R. Sorensen	H2-23
Bruce Hanni	H7-01
Michael N. Hradec	H3-08

Fluor Hanford, Inc.  
P.O. Box 1000  
Richland, Washington 99352

The Plan Administrator's address is Fluor Hanford, Inc., P.O. Box 1000, MSIN H3-08, Richland, WA 99352. The Plan Administrator may be reached by telephone by calling (509) 372-3323.

## **PLAN TRUSTEE**

The trustee of the Plan is:

Wells Fargo Bank  
999 Third Avenue, 14<sup>th</sup> Floor  
Seattle, Washington 98104

## **TYPE OF ADMINISTRATION**

The plan is self-administered by the Company.

## **AGENT FOR SERVICE OF LEGAL PROCESS**

Mr. Ralph Hawkins  
Davis Wright Tremaine LLP  
2600 Century Square  
1501 Fourth Avenue  
Seattle, Washington 98101

In addition, legal processes may be served on the Plan Trustee or Plan Administrator.

## **CONTRIBUTIONS AND FUNDING**

The Plan is funded by Company contributions. The assets of this Plan, the HAMTC Plan and the O&E Plan are commingled together in a single trust fund and all assets in the trust fund are available to pay benefits under all three Plans. The Plan Administrator employs professional investment managers to invest and reinvest the assets of the trust fund.

## **COLLECTIVE BARGAINING AGREEMENT**

This Plan is maintained Pursuant to a Collective Bargaining Agreement. A copy of the Collective Bargaining Agreement may be obtained by written request to the Plan Administrator and is available for examination in the office of the Plan Administrator.

## **GENERAL INFORMATION**

The Company intends to continue this Plan, but reserves the right to terminate this Plan at any time. The Company has the authority to alter, amend, delete, cancel, or otherwise change Plan benefits at any time by written action. If the Plan is terminated, you will cease to earn any additional benefits. However, you will be 100% vested in benefits earned to the date of termination, and these benefits will be paid to the extent that the Plan's assets are sufficient to pay them. For a discussion of benefits insured by the PBGC, see the section entitled "PBGC Information."

If the Plan terminates, the Plan's assets will be allocated to pay all of the accrued benefits owed by the Plan in certain priority categories as is required by law. The first category is benefits attributable to employees' contributions, the second is to benefits payable to retirees, and the third is to benefits guaranteed by the PBGC.

If the Pension Plan has assets in excess of those necessary to provide all plan benefits, these excess assets may be returned to the Department of Energy.

Questions about this Summary Plan Description should be directed via email to Benefits\_ - \_PHMC@rl.gov or via Hanford site mail to Benefits Administration, H2-23.